

AGRICULTURAL OUTLOOK FORUM

The Value of Market News

Dave Lehman, Managing Director, Commodity Research and Product Development

Market News Provides the Foundation for Price Discovery and Risk Management

- Grains, Oilseeds and Feedstuffs
 - Prices, Stocks, and Flows Reported for Wide Range of Products at Multiple Locations
 - CME Group uses data to meet Regulatory Requirements (Deliverable Supply and Convergence) and Conduct Market Surveillance
- Livestock
 - Livestock Mandatory Reporting (LMR) Addresses Market Structure and Competitiveness
 - LMR Data Incorporated in CME Livestock Contract Specifications
 - LM_HG201 (National Daily Direct Hog Prior Day Report – Slaughtered Swine) for Lean Hogs
 - LM_CT169 and LM_XB403 (5-Area Weekly WTD Average Direct Slaughter Cattle – Premiums and Discounts, and National Daily Boxed Beef Cutout and Boxed Beef Cuts)
- Dairy
 - Mandatory Reporting by Manufacturers Provides Transparency and Inputs for Class and Component Pricing
 - Data Used in CME Dairy Futures Contract Specifications and Risk Management Strategies

Grain Price Data

- The market monitors cash prices in key markets to assess supply and demand conditions geographically.
- The market monitors cash prices in smaller markets to identify local surpluses or deficits.
- The Exchange monitors cash prices in key delivery markets to assess futures contract performance.
- The market also likes to compare relative prices across the major field crops and field crop products.

Ex. Daily Grain Review

Daily Grain Review			Tue, Feb 03, 2015			USDA Livestock, Poultry & Grain Market News		
EXPORT		PRICE (\$/bu)	CHANGE (¢/bu)	BASIS (¢)		CHANGE		All prices are reported in dollars/bushel, except soybean and corn oil is in cents/lb. and soybean meal is in dollars/ton.
Atlantic - JO GR850								
Soybeans		10.2200	+27.50	+35.00 H		UNCH		
SRW		NQ	NQ	NQ		NQ		
Chicago - GX GR110								IL River So. of Peoria Bean Basis
Corn		3.6875 - 3.8775	+16.00	-17.00 H to +2.00 H		UNCH		
Soybeans		9.6800 - 9.8700	+27.50	-19.00 H to Opt H		UNCH		
SRW		5.0875 - 5.4375	+21.00	-5.00 H to +30.00 H		UNCH		
Gulf - JO GR112								IL River So. of Peoria Corn Basis
Corn		4.4375 - 4.4475	+17.00 to +16.00	+58.00 H to +59.00 H		+1.00 to UNCH		
Soybeans		10.6400 - 10.7000	+27.50 to +26.50	+77.00 H to +83.00 H		UNCH to -1.00		
SRW		5.8875 - 5.9375	+16.00 to +20.00	+75.00 H to +80.00 H		-5.00 to -1.00		
12 HRW		6.4900 - 6.6400	No Comp	+90.00 H to +105.00 H		No Comp		
PNW - JO GR110								Soybeans - Central IL
SWW		6.35 - 6.43	+5.00 to -27.00	+121.25 H to +129.00 H		-16.00 to -48.25		
Ord HRW		6.37 - 6.72	+24.00	+78.00 H to +113.00 H		UNCH		
Toledo - GX GR111								Corn - Central IL
Corn		3.7775	+22.00 to +19.00	-8.00 H		+6.00 to +3.00		
Soybeans		9.7100 - 9.7400	+27.50	-16.00 H to -13.00 H		UNCH		
SRW		5.2575 - 5.2875	+21.00	+12.00 H to +15.00 H		UNCH		
TERMINAL		PRICE (\$/bu)	CHANGE (¢/bu)	BASIS (¢)		CHANGE		CME Group
Kansas City - SJ GR112								
Corn		3.74 - 3.78	+16.00	-12.00 H to -8.00 H		UNCH		
Soybeans		9.92	+27.00	+5.00 H		UNCH		
Ord HRW		5.59	+24.00	Opt H		UNCH		
Minneapolis - MS GR110								
14 DNS/NS Del Chicag		7.1100 - 7.3100	+22.00	+135.00 H to +155.00 H		UNCH		
Oats		2.9500 - 3.3000	+11.00	+15.00 H to +50.00 H		UNCH		
Omaha - WH GR110								
Corn		3.72 - 3.76	+16.00 to +19.00	-13.75 H to -9.75 H		UNCH to +3.00		
Soybeans		9.67 - 9.69	+30.00 to +27.00	-20.00 H to -18.00 H		+2.50 to -0.50		
Portland - JO GR111								
11.5 HRW		6.49 - 6.84	+22.00 to +24.00	+90.00 H to +125.00 H		UNCH to +25.00		
14 DNS		8.46 - 8.76	+22.00 to +47.00	+270.00 H to +300.00 H		UNCH to +25.00		
RIVER		PRICE (\$/bu)	CHANGE (¢/bu)	BASIS (¢)		CHANGE		
So. Iowa, Mississippi River - MS GR114								
Corn		3.6575 - 3.7575	+16.00	-20.00 H to -10.00 H		UNCH		
Soybeans		9.7200 - 9.8200	+27.50 to +28.50	-15.00 H to -5.00 H		UNCH to +1.00		
St. Louis, Mississippi River - JO GR110								
Corn		3.9500 - 3.9700	+18.00	+9.25 H to +11.25 H		+2.00		
Soybeans		10.1600 - 10.2500	+27.00 to +36.00	+29.00 H to +38.00 H		-0.50 to +8.50		
SRW		5.1300 - 5.2500	+21.00 to +23.00	-0.75 H to +11.25 H		UNCH to +2.00		
Memphis, Mississippi River - LR GR110								
Corn		4.0075	+19.00 to +16.00	+20.00 H to +15.00 H		+3.00 to UNCH		
Soybeans		10.0700 - 10.2700	+7.50 to +27.50	+20.00 H to +40.00 H		-20.00 to UNCH		
SRW		4.7375	+21.00	-40.00 H		UNCH		
Cincinnati, Ohio River - GX GR114								
Corn		3.8475 - 3.8875	+20.00 to +21.00	-1.00 H to +3.00 H		+4.00 to +5.00		
Soybeans		10.0500 - 10.1000	+31.50 to +28.50	+18.00 H to +23.00 H		+4.00 to +1.00		
SRW		5.1175 - 5.1375	+21.00	-2.00 H to Opt H		UNCH		
Mt. Vernon, Indiana, Ohio River - GX GR114								
Corn		3.9175 - 3.9875	+16.00 to +19.00	+6.00 H to +10.00 H		UNCH to +3.00		
Soybeans		10.1400 - 10.2200	+27.50	+27.00 H to +35.00 H		UNCH		
SRW		3.8875 - 4.5375	+21.00 to +16.00	-125.00 H to -60.00 H		UNCH to -5.00		
No. Peoria, Illinois River - GX GR112								
Corn		3.7175 - 3.7575	+17.00 to +16.00	-14.00 H to -10.00 H		+1.00 to UNCH		
Soybeans		9.9100 - 9.9200	+27.50	+4.00 H to +5.00 H		UNCH		
PROCESSOR		PRICE	CHANGE	BASIS		CHANGE		
Central IL								
Corn		3.7775 - 3.9075	+17.00 to +16.00	-8.00 H to +5.00 H		+1.00 to UNCH		
Soybeans		9.8700 - 10.0200	+27.50	Opt H to +15.00 H		UNCH		
Crude SB Oil		30.30 - 31.30	+0.39	-50.00 H to +50.00 H		UNCH		
48 SB Meal		368.60 - 375.60	+12.70	+28.00 H to +35.00 H		UNCH		
Crude Corn Oil		35.00 - 36.00	UNCH	N/A		N/A		
FUTURES				PRICE	CHANGE	PRICE	CHANGE	
CME Group								
Corn	CME Group	Mar 15	3.9375	-1.50	K	May 15	4.0225	-1.50
	Soybeans	Mar 15	10.3850	-17.00	K	May 15	10.4500	-17.00
	Wheat (SRW)	Mar 15	5.8175	-4.00	K	May 15	5.8500	-4.50
MGEX	HRS Wheat (DNS)	Mar 15	3.1025	-3.25	K	May 15	3.1300	-1.50
		Mar 15	6.0450	-3.50	K	May 15	6.1350	-3.25
		Mar 15	6.1750	-4.50	K	May 15	6.2150	-5.50
KCBOT		HRW Wheat						

Grain Export Data

- Exports represent a significant demand component of many US produced ag commodities.
- The market monitors the strength of the export market and compares US commodity competitiveness with ROW.
- Export reports are used to Identify or confirm underlying movement of US products.
- The reports also help Identify potential congestion issues.

Ex. Wheat Inspected and/or Weighed for Export

WA_GR150
Washington, DC Mon Jan 12, 2015 USDA Market News

WHEAT INSPECTED AND/OR WEIGHED FOR EXPORT BY CLASS, REGION AND PORT AREA
JANUARY 2014 - DECEMBER 2014
-- METRIC TONS --

REGION/PORT AREA	HARD RED SPRING	HARD RED WINTER	SOFT RED WINTER	HARD WHITE	SOFT WHITE	DURUM	MIXED	TOTALS
LAKES								
CHICAGO	0	0	116,289	0	0	0	0	116,289
DULUTH-SUP	433,598	0	0	0	0	256,094	0	689,692
LAKE SUPERIOR	8,791	0	0	0	0	75,387	0	84,178
TOLEDO	0	0	18,651	0	0	0	0	18,651
SUBTOTAL	442,389	0	134,940	0	0	331,481	0	908,810
ATLANTIC								
N. ATLANTIC	128,963	6,050	157,847	0	0	0	0	292,860
S. ATLANTIC	0	0	509,636	0	0	0	0	509,636
SUBTOTAL	128,963	6,050	667,483	0	0	0	0	802,496
GULF								
EAST GULF	0	0	48,502	0	0	0	0	48,502
MISSISSIPPI R.	719,534	809,283	2,691,528	0	0	69,201	0	4,289,546
N. TEXAS	350,790	4,477,481	308,365	6,050	0	27,439	0	5,170,125
S. TEXAS	60,510	408,815	9,946	20,523	0	176,508	0	676,302
SUBTOTAL	1,130,834	5,695,579	3,058,341	26,573	0	273,148	0	10,184,475
PACIFIC								
CALIFORNIA	5,824	1,811	0	147	1,126	0	0	8,908
COLUMBIA R.	5,427,992	1,987,093	0	0	4,067,569	156,571	128,402	11,767,627
PUGET SOUND	41,126	4,430	89	0	34,133	686	0	80,464
SUBTOTAL	5,474,942	1,993,334	89	147	4,102,828	157,257	128,402	11,856,999
INTERIOR								
INTERIOR	306,196	834,602	223,125	1,497	21,990	2,322	5,788	1,395,520
SUBTOTAL	306,196	834,602	223,125	1,497	21,990	2,322	5,788	1,395,520
TOTAL	7,483,324	8,529,565	4,083,978	28,217	4,124,818	764,208	134,190	25,148,300
SHIPMENTS TO CANADA*								
	44,640	4,281	112,088	0	0	2,202	0	163,211

*NOT INCLUDED IN TOTAL INSPECTION FOR EXPORTS
WHEAT SHIPPED FOR STORAGE IN CANADA IS REPORTED AT TIME OF SHIPMENT FROM ST LAWR SWY PORTS
PRIOR TO MAY 1, 1990, ALL HARD AND SOFT WHITE WHEAT VARIETIES WERE CLASSIFIED AS WHITE WHEAT.

COUNTRY OF DESTINATION IS REPORTED AS KNOWN AT THE TIME OF EXPORTATION.
INFORMATION CONTAINED IN THIS REPORT REFLECTS EXPORTED GRAIN INSPECTED AND WEIGHED
THROUGH GIPSA'S AUTHORITY UNDER THE U.S. GRAIN STANDARDS ACT. NO ADDITIONAL ANALYSIS,
COMPILATIONS OR DATA IS AVAILABLE.

Source: USDA, FGIS
USDA Market News Service, Moses Lake, WA
Robin Cusato-Wood 509-762-6128 MosesLake.LPGMN@ams.usda.gov
www.ams.usda.gov/mnreports/wa_gr150.txt
http://www.ams.usda.gov/lpsmarketnewspage

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Grain Stocks Data

- The market monitors the underlying supply of key commodities in key markets.
- The market will identify trends and monitor changes in stocks data, which can affect market spreads.
- Stocks data help the market identify the movement of commodities over time.
- Stocks data can also help identify potential congestion issues.

Ex. Stocks of Grain

STOCKS OF GRAIN AT SELECTED TERMINAL & ELEVATOR SITES

LIVESTOCK, POULTRY & GRAIN
MARKET NEWS DIVISION
U.S. DEPARTMENT OF AGRICULTURE
805 SW BROADWAY, ROOM 920
PORTLAND, OREGON 97205



This report will be discontinued as of August 26, 2014. Detailed Grain Stocks information is available from NASS. The attached link will take you to their report.

<http://usda.mannlib.cornell.edu/MannUsda/viewDocumentInfo.do?documentID=1079>

TELEPHONE		(503) 326-2237		WEEKLY EDITION				
FAX		(503) 326-5140		August 26, 2014				
				VOL. 89				
				NO. 32				
SUMMARY IN 1,000 BUSHEL								
AREA		Wheat	Corn	Soybeans	Sorghum	Oats	Barley	% of Cap Filled
Atlantic Coast	this week	3505	0	0	0	0	NA	72
	last week	3481	0	0	0	0	NA	71
	change	24	0	0	0	0	NA	1
Great Lakes	this week	29829	166	0	0	656	0	41
	last week	29642	168	2	0	677	0	41
	change	187	-2	-2	0	-21	0	0
River Points	this week	8379	5544	154	2	1	0	24
	last week	8185	5578	147	2	1	0	24
	change	194	-34	7	0	0	0	0
Texas High Plains	this week	2622	1750	0	415	0	0	15
	last week	2476	1973	0	458	0	0	15
	change	146	-223	0	-43	0	0	0
Gulf Points	this week	14882	4708	515	2274	0	0	32
	last week	16336	3580	1433	2979	0	0	35
	change	-1454	1128	-918	-705	0	0	-3
Plains	this week	53883	12696	263	568	0	0	26
	last week	51250	13660	325	653	0	0	25
	change	2633	-964	-62	-85	0	0	1
Pacific Northwest	this week	8740	1486	134	NA	0	0	39
	last week	6694	2504	634	NA	0	0	37
	change	2046	-1018	-500	NA	0	0	2
GRAND TOTAL	this week	121840	26350	1066	3259	657	0	29
	last week	118064	27463	2541	4092	678	0	29
	change	3776	-1113	-1475	-833	-21	0	0
08/27/13		170744	13342	2061	4461	96	0	36

Soybean Crush Data

- The market closely monitors crush values, which have implications on individual soybean and soybean product values and spreads.
- Crush data helps identify which product, meal or oil, is driving the crush, which has implications for all three markets.

Ex. Soybean Crush Report

GX_GR211 Springfield, IL Thu, Jan 29, 2015 USDA-IL Dept of Ag Market News				
Soybean prices compared with value of oil and meal				
	Unit	This week Jan 29, 2015	Last week Jan 22, 2015	Last year Jan 30, 2014
Soybean oil, crude tank cars & trucks Central IL.	¢/lb	29.54	32.04	34.00
Oil yield per bushel crushed	lb	11.66	11.66	11.66
Value from bushel of soybeans	\$	3.44	3.74	3.96
48% Soybean Meal unrestricted, bulk Central IL.	\$/ton	369.40	361.60	483.20
Meal yield per bushel crushed	lbs	47.22	47.22	47.47
Value from bushel of soybeans	\$	8.72	8.54	11.47
Value of oil and meal from bushel of soybeans	\$	12.17	12.27	15.43
No. 1 Yellow Soybeans truck price Central IL. points	\$/bu	9.74	9.83	12.91
Difference between soybean price & value of oil & meal	\$	2.42	2.44	2.53
Estimated Processing Value (EPV)	\$/bu	12.03	12.12	15.21

This table is presented for statistical comparison and is not intended to indicate operating margins.

Source: USDA-IL Dept of Ag Market News Service, Springfield, IL
 jerry millburg 217-782-4925 Springfield.LPGMN@ams.usda.gov
 In state only toll free 888-458-4787
www.ams.usda.gov/mnreports/gx_gr211.txt
www.ams.usda.gov/LPSMarketNewsPage

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Feedstuff Data

- The market monitors feedstuff prices as many feedstuffs are substitutes, and a change in the price of one may affect the price of another
- Many feedstuffs are cross-hedged, and feedstuff price data are used to calculate hedge ratios and to determine hedging effectiveness.

Ex. National Feedstuff Prices

MS_GR852				
Minneapolis, MN		Wed Feb 04, 2015	USDA Market News	
National Weekly Feedstuff Wholesale Prices				
	2/3/2015	1/0/1900	2/4/2014	
SOYBEAN MEAL, HIGH PROTEIN				
Central Illinois (R)	372.10	368.10	505.00	
Chino Valley, CA (R)	408.10	407.10	529.50	
Kansas City (T)	358.10	355.60	473.50	
Memphis (R-T)	387.90	398.90	491.00	
Minneapolis (T)	345.10	348.60	448.50	
Portland (T)	409.80	415.80	530.00	
St. Louis (T)	389.00	391.00	509.00	
COTTONSEED MEAL, 41% SOLVENT				
Kansas City (T)	332.50	342.50	420.00	
Memphis (R-T)	300.00	305.00	370.00	
St. Louis (T)	N/A	360.00	410.00	
WHOLE COTTONSEED				
California (T)	376.00	378.50	445.00	
Memphis (R-T)	260.00	260.00	340.00	
Portland (T)	380.00	380.00	445.00	
CANOLA MEAL				
Portland (R)	300.30	302.30	379.00	
LINSEED MEAL, 34% SOLVENT				
Minneapolis (R-T)	232.50	250.00	350.00	
SUNFLOWER MEAL 32%				
Minneapolis (R-T)	235.00	245.00	277.50	
SOYBEAN OIL				
Central Illinois (R-T)	30.80	31.17	34.64	
Iowa	30.55	31.17	34.96	
CORN OIL				
Midwest (R-T)	35.50	35.50	39.25	
MEAT AND BONE MEAL				
Central U.S. (R-T)	365.00	370.00	431.50	
Minneapolis (R-T)	397.50	400.00	435.00	
Portland (T)	352.50	350.00	400.00	
Texas Panhandle (R-T)	357.50	365.00	400.00	
St. Louis (T)	367.50	380.00	435.00	
FEATHER MEAL HIGH PROTEIN				
Arkansas Pts (R-T)	445.00	452.50	735.00	
Minneapolis (R-T)	580.00	597.50	830.00	

USDA Livestock Reports

Livestock Mandatory Reporting Act

- Driven by hog price collapse of 1998 and captive supply/alternative marketing arrangement concerns in cattle.
- Requires packers to report prices and volumes for cattle/beef, sheep & lamb/mutton, and hogs/pork.
- Intended to provide accurate & transparent market information reports
 - (1) provides information that can be readily understood by producers, packers, and other market participants, including information with respect to the pricing, contracting for purchase, and supply and demand conditions for livestock, livestock production, and livestock products; ``*(2) *improves the price and supply reporting services of the Department of Agriculture; and ``*(3) *encourages competition in the marketplace for livestock and livestock products.*

Lean Hog Data

- CME uses “National Daily Direct Hog Prior Day Report” (LM_HG201) as the source data for CME Lean Hog Index, the basis for Lean Hog futures

National Daily Hog Slaughter Cost

LM_HG201					
Des Moines, Iowa		Tue, Feb 17, 2015		USDA Market News	
NATIONAL DAILY DIRECT HOG PRIOR DAY REPORT - SLAUGHTERED SWINE					
Slaughter Data for Monday, February 16, 2015					
Barrows and Gilts (Live and Carcass Basis): 375,540					
	NEGOTIATED	OTHER MARKET FORMULA	SWINE OR PORK MARKET FORMULA	OTHER PURCHASE ARRGMENT	TOTALS/ WTD AVG

Producer Sold:					
HEAD COUNT	7,073	31,816	160,509	49,679	249,077
CARCASS BASE PRICE	58.59	77.89	59.47	69.38	63.99
AVERAGE NET PRICE	59.36	79.85	61.34	70.92	65.67
LOWEST NET LOT	50.77	57.45	43.62	58.34	52.52
HIGHEST NET LOT	63.76	99.46	73.71	87.27	80.55
AVERAGE LIVE WT	279.98	281.44	283.64	277.32	281.93
AVERAGE CARCASS WT	208.00	212.56	215.55	208.68	213.59
AVERAGE SORT LOSS	-1.83	-1.69	-2.11	-1.01	-1.78
AVERAGE BACKFAT	0.65	0.73	0.72	0.69	0.71
AVERAGE LOIN DEPTH (LD)	2.50	2.67	2.72	2.52	2.66
LOINEYE AREA (LD Converted)	7.51	8.02	8.18	7.56	7.99
AVERAGE LEAN PERCENT	54.67	55.16	55.42	55.28	55.34
(Packer Buying Programs)					

Lean Hog Data

- CME uses “National Daily Direct Hog Prior Day Report” (LM_HG201) as the source data for CME Lean Hog Index, the basis for Lean Hog futures

National Daily Hog Slaughter Cost

LM_HG201					
Des Moines, Iowa		Tue, Feb 17, 2015		USDA Market News	
NATIONAL DAILY DIRECT HOG PRIOR DAY REPORT - SLAUGHTERED SWINE					
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Barrows and Gilts (Live and Carcass Basis): 375,540					
	NEGOTIATED	OTHER MARKET FORMULA	SWINE OR PORK MARKET FORMULA	OTHER PURCHASE ARRGMENT	TOTALS/ WTD AVG

Producer Sold:					
HEAD COUNT	7,073	31,816	160,509	49,679	249,077
CARCASS BASE PRICE	58.59	77.89	59.47	69.38	63.99
AVERAGE NET PRICE	59.36	79.85	61.34	70.92	65.67
LOWEST NET LOT	50.77	57.45	43.62	58.34	52.52
HIGHEST NET LOT	63.76	99.46	73.71	87.27	80.55
AVERAGE LIVE WT	279.98	281.44	283.64	277.32	281.93
AVERAGE CARCASS WT	208.00	212.56	215.55	208.68	213.59
AVERAGE SORT LOSS	-1.83	-1.69	-2.11	-1.01	-1.78
AVERAGE BACKFAT	0.65	0.73	0.72	0.69	0.71
AVERAGE LOIN DEPTH (LD)	2.50	2.67	2.72	2.52	2.66
LOINEYE AREA (LD Converted)	7.51	8.02	8.18	7.56	7.99
AVERAGE LEAN PERCENT	54.67	55.16	55.42	55.28	55.34
(Packer Buying Programs)					

Live Cattle Data

- CME uses data on carcass characteristics from “5-Area Weekly Slaughter Cattle-Premiums & Discounts” (LM_CT169) and the Choice/Select spread data from “National Daily Boxed Beef Cutout” (LM_XB403) for valuation of cattle delivered on the Live Cattle futures contract.
- CME employs USDA personnel to grade live cattle and cattle carcasses delivered on the Live Cattle futures contract

Premiums & Discounts, Choice/Select Spread

LM_CT169 St. Joseph, MO Mon Feb 16, 2015 USDA Market News Service			
5-AREA WEEKLY WTD AVERAGE DIRECT SLAUGHTER CATTLE - PREMIUMS AND DISCOUNTS For the Week of: 2/16/2015 Value Adjustments			
	Range	Wtd Avg	Change
Quality:			
Prime	8.00 - 24.00	15.84	0.01
Choice	0.00 - 0.00	0.00	0.00
Select	(9.50) - 8.00	(5.37)	1.30
Standard	(40.00) - (14.00)	(17.01)	1.04
CAB	3.00 - 3.50	3.08	(0.31)
Dairy - Type	(9.00) - 0.00	(3.15)	0.00
Bullock/Stag	(55.00) - (25.00)	(41.37)	0.00
Hardbone	(55.00) - (16.00)	(33.15)	0.07
Dark Cutter	(55.00) - (28.00)	(38.64)	0.06
Over 30 Months of Age	(40.00) - (10.00)	(16.42)	0.07
*Cutability Yield Grade, Fat/Inches			
1.0-2.0 < .10"	3.00 - 8.00	4.59	0.00
2.0-2.5 < .20"	1.50 - 3.00	2.25	0.00
2.5-3.0 < .40"	0.00 - 2.50	2.13	0.00
3.0-3.5 < .60"	0.00 - 0.00	0.00	0.00
3.5-4.0 < .80"	0.00 - 0.00	0.00	0.00
4.0-5.0 < 1.2"	(10.00) - (6.00)	(8.27)	0.00
5.0/up > 1.2"	(15.00) - (10.00)	(13.02)	0.00
Weight:			
400-500 lbs	(40.00) - (15.00)	(25.43)	0.00
500-550 lbs	(40.00) - (12.00)	(22.82)	0.00
550-600 lbs	(15.00) - 0.00	(2.73)	0.00
600-900 lbs	0.00 - 0.00	0.00	0.00
900-1000 lbs	(15.00) - 0.00	(0.20)	0.00
1000-1050 lbs	(15.00) - 0.00	(2.28)	0.00
over 1050 lbs	(35.00) - (15.00)	(23.47)	0.00

LM_XB403 Des Moines, IA Tue, Feb 17, 2015 USDA Market News		
NATIONAL DAILY BOXED BEEF CUTOUT AND BOXED BEEF CUTS - Negotiated Sales - Afternoon		
USDA ESTIMATED BOXED BEEF CUT-OUT VALUES - as of 1:30pm		
Based on negotiated prices and volume of boxed beef cuts delivered within 0-21 days and on average industry cutting yields. Values reflect U.S. dollars per 100 pounds.		
Boxed beef cutout values higher on Choice and steady on Select on moderate demand and light to moderate offerings. Select and Choice chuck cuts firm while rib, round, and loin cuts steady. Beef trimmings lower on moderate demand and moderate to heavy offerings.		
	CHOICE 600-900	SELECT 600-900
Current Cutout Values:	239.12	233.20
Change from prior day:	0.90	0.16
Choice/Select spread:	5.92	

Feeder Cattle Data

- CME uses over 100 Federal-State market reports as the source data for CME Feeder Cattle Index, the basis for Feeder Cattle futures.

Feeder Cattle Weighted Average Reports

KO_LS750 ***Resending with Actual Receipts***
Oklahoma City, OK Tue Feb 17, 2015 USDA-OK Dept of Ag Market News

Oklahoma National Stockyards, Oklahoma City, OK - Close
Feeder Cattle Weighted Average Report for 02/16/2015

Actual Receipts: 5,689 Last Monday: 8,557 Year Ago Monday: 9,912

Compared to last week: Feeder steers traded firm to 4.00 higher. Feeder heifers traded unevenly steady. Steer calves were too lightly tested for a market trend. Heifer calves were mostly 5.00 to 15.00 higher. Quality is mostly plain through attractive, with the majority of the sale consisting of large strings of heavy weight wheat pasture cattle. Buyers offered large premiums for good weigh ups and favorable flesh conditions. Winter weather has moved into the state causing cooler temperatures coupled with rain and snow. Supply included 76 percent over 600 lbs. and 21 percent heifers.

Feeder Steers Medium and Large 1					
Head	Wt Range	Avg Wt	Price Range	Avg Price	
28	362-368	367	347.00-358.00	356.84	
42	406-435	421	309.00-322.00	314.88	
61	461-497	472	287.00-307.00	298.21	
84	513-541	526	270.00-281.00	273.04	
27	552-560	557	266.00-270.50	269.16	
33	553	553	287.00	287.00	Thin Fleshed
6	558	558	279.00	279.00	Value Added
82	615-630	620	239.00-254.50	249.62	
63	601-629	614	254.00-257.00	255.09	Thin Fleshed
114	651-695	673	219.00-240.00	226.26	
275	701-748	719	213.00-221.50	215.75	
334	751-798	779	202.00-213.35	207.35	
6	788	788	193.00	193.00	Fleshy
319	806-847	825	193.50-203.75	199.23	
90	808-838	824	206.75-208.00	207.46	Fancy
548	852-892	870	186.75-198.00	192.05	

USDA Livestock Reports

Impact on Derivatives Markets

- Shutdown in 2013 led to alternative settlement method for October Lean Hog contracts.
 - Due to trust in AMS reports, few private sector alternatives exist
 - CME emergency action required to settle Oct 2013 Lean Hog contract
- Reports are vital to develop analyses and can reshape market perceptions:
 - (e.g. reaction of Feeder Cattle futures to January Cattle Inventory report = limit down)

USDA - AMS Dairy Reports

CME's Dairy complex relies on two reports published by USDA - AMS

National Dairy Products Sales Report (NDPSR)

Federal Milk Order Price Data – Class & Component Prices

USDA – AMS Dairy Reports

- The number of weeks that go into each particular monthly report may be either four or five weeks.
- The report is released at 3:00 PM (ET) no later than the 5th of the following month. If the release date does not fall on the 5th, the most current release preceding the 5th will be used in the price calculation.
- In the absence of the USDA-AMS reports i.e. Government shutdown – USDA is required to publish an “Equivalent Price” per 7 CFR Part 1000, Subpart G - Class Prices (§ 1000.54).

Class and Component Prices



Announcement of Class and Component Prices

United States Department of Agriculture

Agricultural Marketing Service	Dairy Programs	Market Information Branch
CLS-0115		February 4, 2015

January 2015 Highlights

Class II Price was \$16.18 per hundredweight for the month of January 2015. The price per hundredweight decreased \$2.91 from the previous month.

Class III Price was \$16.18 per hundredweight for the month of January 2015. The price per hundredweight decreased \$1.64 from the previous month.

Class IV Price was \$13.23 per hundredweight for the month of January 2015. The price per hundredweight decreased \$3.47 from the previous month.

Announcement of Class and Component Prices for January 2015

Class II Price:	\$16.18 (per hundredweight)
Class II Butterfat Price:	\$1.6925 (per pound)
Class II Skim Milk Price ^{1/}	\$10.63 (per hundredweight)
Class III Price:	\$16.18 (per hundredweight)
Class III Skim Milk Price:	\$10.65 (per hundredweight)
Class IV Price:	\$13.23 (per hundredweight)
Class IV Skim Milk Price:	\$7.60 (per hundredweight)
Butterfat Price:	\$1.6855 (per pound)
Nonfat Solids Price:	\$0.8439 (per pound)
Protein Price:	\$2.6731 (per pound)
Other Solids Price:	\$0.4001 (per pound)
Somatic Cell Adjustment Rate:	0.00079 (per 1,000 somatic cell count)

^{1/} January Advanced Price Announcement

USDA – AMS Dairy Reports

NDPSR:

- Collects mandatory survey data each week from manufacturers of Grade AA butter, nonfat, whey and cheese – blocks/barrels.
- Survey data includes: arms length transactions, total pounds sold and total price.
- Data is published every Wednesday at 3PM (ET) and are based on sales for the week ending the previous Saturday, so there is always a one week lag.
- The data collected from these surveys are used in the Federal Order product price formulas which in turn is used to calculate the Federal Milk Order Price Data – Class & Component Prices.

National Dairy Products Sales Report



National Dairy Products Sales Report

United States Department of Agriculture

Agricultural Marketing Service

Dairy Programs

Market Information Branch

DPMRP - 0147

February 11, 2015

National Dairy Products Sales Report Highlights

Butter prices received for 25 kilogram and 68 pound boxes meeting United States Department of Agriculture (USDA) Grade AA standards averaged \$1.63 per pound for the week ending February 7, 2015. The United States (US) price per pound increased 6.5 cents from the previous week.

Cheddar Cheese prices received for US 40 pound blocks averaged \$1.54 per pound for the week ending February 7, 2015. The price per pound decreased 1.8 cents from the previous week. The price for US 500 pound barrels adjusted to 38 percent moisture averaged \$1.52 per pound, increased 0.6 cents from the previous week.

Dry Whey prices received for bag, tote, and tanker sales meeting USDA Extra Grade standards averaged 56.0 cents per pound for the week ending February 7, 2015. The US price per pound decreased 1.8 cents from the previous week.

Nonfat Dry Milk prices received for bag, tote, and tanker sales meeting USDA Extra Grade or United States Public Health Service (USPHS) Grade A standards averaged \$1.02 per pound for the week ending February 7, 2015. The US price per pound increased 4.7 cents from the previous week.

National Dairy Products Sales Report 01/10/2015 - 02/07/2015

Butter Prices and Sales

United States	10-Jan	17-Jan	24-Jan	31-Jan	7-Feb
(dollars per pound)					

USDA-AMS Dairy Reports

Importance of the two USDA-AMS reports:

- NDPSR is the all important feeder survey which supplies the necessary data to calculate the Class & Component Prices that are then used to settle CME's Class III, IV, Butter, Nonfat, Whey and Cheese contracts.
- The transparency provided by the weekly report is one more piece of market information to the dairy risk management community.
- Weekly surveys are auditable.

Other Useful USDA Reports:

- Cow Slaughter numbers report SJ_LS714, which is broken out by region is another report utilized by the dairy trading community.
- Milk Marketing and Utilization reports are another resource for the marketplace.